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August 22, 2019

By ECFS

Marlene Dortch, Secretary Federal Communications Commission 445 12th Street, SW Washington, DC 20554

> Re: <u>Q Link Wireless LLC (Q Link) Notice of Oral Ex Parte Presentation</u>, WC Docket Nos. 17-287, 11-42, 09-197 and 10-90

Dear Ms. Dortch:

On August 21, 2019, Issa Asad, CEO of Q Link, Paul Turner, President of Q Link, John Nakahata of Harris Wiltshire & Grannis LLP and John Heitmann of Kelley Drye & Warren LLP, met on behalf of Q Link with Commissioner Michael O'Rielly and his Chief of Staff, Joel Miller; Randy Clarke, Acting Legal Advisor for Wireline and Public Safety to Commissioner Starks and Alisa Valentin, Special Advisor to Commissioner Starks; and Kris Monteith, Trent Harkrader, Ryan Palmer (by phone), Jodie Griffin, Micah Caldwell, Jesse Jachman and Allison Jones from the Wireline Competition Bureau (Bureau) to discuss the pending Joint Petition to Pause Implementation of December 2019 Lifeline Minimum Service Standards Pending Forthcoming Marketplace Study filed by CTIA, the National Consumer Law Center, National Hispanic Media Coalition, OCA – The Asian Pacific American Advocates, and United Church of Christ, OC, Inc., and the Lifeline National Verifier. On August 20, 2019, the same Q Link representatives also met with Nirali Patel, Wireline Advisor to Chairman Ajit Pai on the same

¹ Stephen Replogle of Cove Strategies also attended the meeting with Commissioner O'Rielly and Joel Miller.

² See Joint Petition to Pause Implementation of December 2019 Lifeline Minimum Service Standards Pending Forthcoming Marketplace Study, WC Docket Nos. 11-42, 09-197, 10-90 (June 27, 2019) (Joint Petition).

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topics. The discussions were consistent with Q Link's comments filed on the Joint Petition³ and Q Link's prior filings addressing implementation of the National Verifier.⁴

Failure to Grant the Joint Petition Would Result in <u>Less</u> Broadband for Lifeline Subscribers

Q Link is part of a wide and deep coalition of stakeholders supporting the Joint Petition's request to pause any increases in the mobile broadband minimum service standard and to retain full Lifeline support for standalone voice and voice-centric bundles until the Commission can study the impact of such changes on access to and affordability of Lifeline services for low-income consumers and report on such findings in the *State of the Lifeline Marketplace Report* due in 2021.

We emphasized that failure to grant the Joint Petition would result in <u>less</u> broadband for Lifeline subscribers. Q Link explained that is so because the December 1, 2019 standard of 8.75 GB of mobile broadband cannot be provided to Lifeline subscribers without imposing a significant price increase (which subscribers cannot pay) and a reduction of \$2 in the voice subsidy cannot be absorbed without taking away from the 1 GB of broadband Q Link currently includes in its 1000 minute bundles. Mr. Asad explained that with per megabyte rates of just under a penny, Q Link's network costs alone for providing that much data would exceed the subsidy by many multiples.⁵ Mr. Asad also explained that even when considering expected

³ See Q Link Wireless LLC Comments on Joint Petition to Pause Implementation of December 2019 Lifeline Minimum Service Standards Pending Forthcoming Marketplace Study, WC Docket Nos. 11-42, 09-197, 10-90 (filed July 31, 2019) (NaLA Joint Petition Comments).

⁴ See Q Link Notice of Ex Parte Presentation, WC Docket Nos. 17-287, 11-42 & 19-197 (filed Mar. 27, 2019); Comments of Q Link Wireless on the Emergency Petition of Tracfone Wireless, Inc. for an Order Directing USAC to Alter the Implementation of the National Verifier, WC Docket Nos. 17-287, 11-42 & 09-197 (filed Dec. 18, 2018); Q Link Notice of Oral Ex Parte Presentation, WC Docket Nos. 17-287, 11-42 & 09-197 (filed Dec. 6, 2018); Reply Comments of Q Link Wireless, LLC In Support of Petition for a Limited Waiver, WC Docket Nos. 17-287, 11-42 & 09-197 (filed Nov. 20, 2018); Q Link Notice of Oral Ex Parte Presentation, WC Docket Nos. 17-287, 11-42 & 09-197 (filed Nov. 8, 2018); Petition of Q Link Wireless, LLC for a Limited Waiver to Permit Alternative Transmission of Lifeline Eligibility Information and Customer Certifications to the National Verifier, WC Docket Nos. 17-287, 11-42 & 09-197 (filed Nov. 1, 2018); Emergency Petition of Q Link Wireless, LLC for an Order Directing the Universal Service Administrative Company to Implement Machine-to-Machine Interfaces for the National Verifier, WC Docket Nos. 17-287, 11-42 & 09-197 (filed July 5, 2018).

⁵ Q Link Comments, Affidavit of Issa Asad in Support of Q Link Wireless, LLC's Joint Petition Comments (emphasis added).

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breakage, the retail pre-paid marketplace prices such products in the \$45-55 range. Q Link predicted that none of its current subscribers with 2 GB plans would pay a \$30 or higher price increase and that moving all subscribers to 1000 minute plans with less than 1 GB of mobile broadband would be significant reduction of broadband for Q Link's subscribers, nearly all of whom utilize 4G LTE smartphones on Sprint's 4G LTE network, and nearly half of whom live in rural zip codes. We underscored the urgent need for action on the Joint Petition to avoid this clearly unintended and avoidable outcome.

We further explained to Commissioner O'Rielly and Mr. Miller that Q Link supports NARUC's position in favor converting the existing Lifeline budget mechanism to a cap.

Because the National Verifier Currently Serves as a Barrier to Lifeline Participation by Eligible Consumers, It Should Return to Soft Launch Status and Not Proceed to Hard Launch Status in Any State Until a Carrier API Solution with Document Submission Functionality and Access to State/Federal SNAP and Medicaid Databases Are Fully Implemented

Q Link is an ardent supporter of an efficient and effective National Verifier that makes eligibility verification and enrollment easier for consumers and less costly for carriers while preserving program integrity. However, Mr. Asad explained that because it is missing a carrier application programming interface (API) with document transmission capabilities from carriers to the National Verifier and the provision of error codes from the National Verifier to carriers, and, in most states (26 jurisdictions so far, with at least another 12 likely), it lacks electronic access to federal/state Medicaid and Supplemental Nutrition Assistance Program (SNAP) databases, the National Verifier presently serves as a "brick wall" blocking too many eligible applicants from participating in the program.

As NARUC recently resolved on a unanimous and bipartisan basis,⁶ the National Verifier must maintain or return to soft launch and not proceed to hard launch in any state until a carrier API with document transmission capabilities⁷ and electronic access to federal/state Medicaid and

⁶ See Reply Comments of the National Association of Regulatory Utility Commissioners Supporting the Joint Petition to Pause Implementation of December 2019 Lifeline Minimum Standards, Appendix A, Resolution on the Lifeline National Verifier Launch and Minimum Service Standards, WC Dockets 11-42, 09-197 & 10-90 (filed Aug. 15, 2019).

⁷ As an interim alternative, the National Verifier could permit bulk transmission of eligibility documents through USAC's existing KITE system. This system is already used to transmit these documents when requested for audits. *See* Petition of Q LINK Wireless, LLC for a Limited Waiver to Permit Alternative Transmission of Lifeline Eligibility Information and Customer

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Supplemental Nutrition Assistance Program (SNAP) databases have been fully implemented. When properly executed, with an adequate API and electronic database access to Medicaid and SNAP databases, Q Link expects that 80-85% of all eligible applicants should be able to be verified electronically, without additional documents. For the rest (approximately 15%) of the eligible population subject to manual eligibility verification, such as those who might seek to enroll based on income, or through participation in other trigger programs such as the Veterans and Survivors Pension Benefit program, the ability of providers to assist consumers with documentation is critically important.⁸ Q Link expressed appreciation for progress being made on a partial API solution and on access to a nationwide Medicaid database, but underscored the need to maintain a soft launch environment to allow time for a full API solution (with document transmission functionality and error codes) and access to SNAP databases to be implemented. Until access to such a carrier API is made available, the National Verifier will remain a barrier to program participation by the eligible consumers it is intended to serve. Because residents of rural America have limited access to in-person distribution and rely heavily on online enrollment provided by Q Link, these consumers are being harmed disproportionately by delays in implementing a carrier API with document transmission capability and error codes.

Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed electronically.

Respectfully submitted,

John Heitmann

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Enclosure

Certifications to the National Verifier, WC Docket Nos. 09-197, 11-42 & 17-287 (filed November 1, 2018).

⁸ In some cases, subscribers may be eligible by virtue of recent initiation of Medicaid or SNAP benefits not yet reflected in the particular form of database access made available to the National Verifier.

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cc: Hon. Commissioner Michael O'Rielly

Joel Miller
Nirali Patel
Randy Clarke
Alisa Valentin
Kris Monteith
Trent Harkrader
Ryan Palmer
Jodie Griffin
Micah Caldwell
Jesse Jachman
Allison Jones